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ABSTRACT

This report discusses college faculty salaries in member states of the Southern Regional Education Board (SREB). Data from a variety of sources show that, overall, faculty salaries have not grown at rates as high as those of other workers with advanced levels of education over the last 10 years. In fact, faculty salaries have not grown at rates as high as those of all workers, regardless of level of education, over the last 25 years. The gap between the average faculty salaries in the SREB and the nation for public 4-year and 2-year colleges has grown over the last 10 years. The gap between the earnings of senior faculty and junior faculty is greater than it was 10 years ago. The gap between the salaries of faculty at universities with the largest graduate education programs and those of faculty in the other colleges has also grown. In the SREB region, the challenge is to bring faculty salary gains more in line with the gains made by other occupations and more in line with gains for faculty outside the SREB region. The number of top quality faculty is limited, just as in any profession, and states that do not offer comparable salaries may not be able to compete effectively for faculty. SREB states must take deliberate actions to ensure that their colleges and universities get their share of top quality faculty. (SLD)

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Faculty Salaries in Colleges and Universities:

Where do SREB States Stand?

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Goals for Education: Challenge 2000

BY THE YEAR 2000—

All children will be ready for first grade.

Student achievement for elementary and secondary students will be at national levels or higher.

The school dropout rate will be reduced by one-half.

90 percent of adults will have a high school diploma or its equivalent.

Four of every five students entering college will be ready to begin college-level work.

Significant gains will be achieved in the mathematics, sciences and communications competencies of vocational education students.

The percentage of adults who have attended college or earned two-year, four-year and graduate degrees will be at the national averages or higher.

The quality and effectiveness of all colleges and universities will be regularly assessed, with particular emphasis on the performance of undergraduate students.

All institutions that prepare teachers will have effective teacher-education programs that place primary emphasis on the knowledge and performance of graduates.

All states and localities will have schools with improved performance and productivity demonstrated by results.

Salaries for teachers and faculty will be competitive in the marketplace, will reach important benchmarks and will be linked to performance measures and standards.

States will maintain or increase the proportion of state tax dollars for schools and colleges while emphasizing funding aimed at raising quality and productivity.

The SREB Commission for Educational Quality, 1988

FACULTY SALARIES

BY THE YEAR 2000—

Salaries for teachers and faculty will be competitive in the marketplace, will reach important benchmarks and will be linked to performance measures and standards.

There is often cynicism about the amount of attention received by big-time college football and basketball, but there is an important message in college athletics about college academics and research. One does not need to be a sports fan to know that the number of top-quality college athletes is finite and that the colleges with the most top-quality athletes, the best facilities and the best coaches nearly always will win the most games.

It is less obvious to the general public — because there is no easily understood scoreboard for academics as there is for athletics — that the same is true for academics and research as is true for athletics. There is a finite number of top-quality faculty, and the colleges with the most top-quality faculty usually attract the best students, obtain the best facilities and "win the most games." In this case "winning" is less obvious, but it usually means more successful graduates, more research grants and patents, more state economic payoff and a climate in which success breeds a reputation for more success.

So, are salaries for college and university faculty at levels that reasonably can be expected to attract and retain the faculty talent (and motivation) necessary to help SREB states achieve their educational goals? Have states taken deliberate actions to set policies to help ensure competitive pay for college faculty? Are systems in place to establish or maintain adequate links between performance and rewards? State leaders should know:

- Faculty salaries have not grown at rates as high as those of other workers with advanced levels of education over the last 10 years.
- Faculty salaries have not grown at rates as high as those of ***all*** workers, regardless of level of education, over the last 25 years.
- The gap between the SREB region's and the nation's average salaries for faculty in public four-year and two-year colleges has grown over the last 10 years.
- The gap between the earnings of senior faculty and junior faculty is greater than it was 10 years ago.
- The gap between the salaries of faculty at the universities with the largest graduate-education programs and those of faculty in the other colleges has grown.

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The challenge is to get the SREB region's faculty-salary gains more in line with the gains made by other occupations and more in line with the gains for faculty outside the SREB region. The number of top-quality faculty is limited, just as in any profession. With the growing demand for faculty and a growing gap between the salaries paid in independent colleges and those paid in public colleges, will states be able to compete effectively for faculty? To be winners in the educational and economic competition, SREB states must take deliberate actions to ensure that their colleges and universities get their share of top-quality faculty.

Mark Musick
SREB President

Faculty Salaries in Colleges and Universities:

Where do SREB States Stand?

Have faculty salary increases kept up with those of jobs that require similar levels of education?

College and university faculty members are among the most highly educated workers in the nation. Eighty-one percent of those who teach and conduct research at public four-year colleges and universities — and 19 percent of faculty members at public two-year colleges — have earned doctoral or first-professional degrees. Only 3 percent of the adult population and work force, 5 percent of teachers in public elementary schools and 6 percent of teachers in public secondary schools have earned such degrees. Faculty members at colleges and universities account for about one-third of the most highly educated employees in the country.

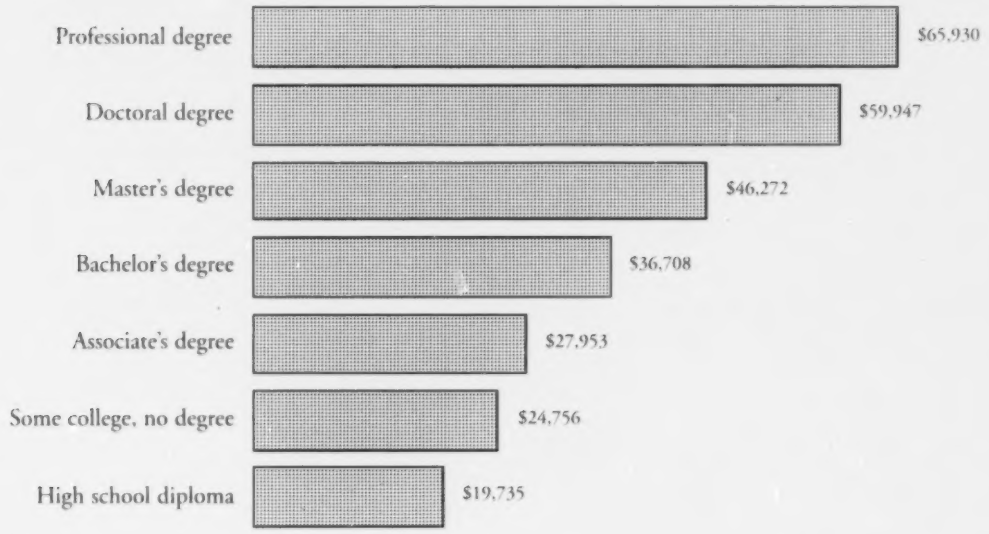
There is a strong correlation between earnings and education level. The latest figures show that people with doctoral degrees had a median income 1.6 times greater than those with bachelor's degrees. The median income for those with professional degrees was 1.8 times that of those with bachelor's degrees. (See Figure 1.) In 1998, the average annual income for college faculty members was in the top fifth of earnings among major occupational groups, such as lawyers, physicians, engineers, financial managers, natural scientists and computer scientists. But faculty salaries have not grown at rates as high as those of other workers with advanced levels of education in the last 10 years. For example, physicians and dentists saw their inflation-adjusted earnings rise 13 percent, while faculty members at public four-year colleges across the nation saw their inflation-adjusted earnings rise 4 percent over the 10 years.

Have faculty salaries kept up with salary growth for all workers?

Over the last 25 years faculty salaries have not grown at rates as high as those for all workers. From 1974 to 1999, the average salary for faculty at public four-year colleges and universities in the SREB region increased 5 percent (about $2,300) when adjusted for inflation. The national increase in the average faculty salary was 3 percent (about $1,700) when

This report was prepared by Joe Marks, SREB director of data services.

Figure 1
Median annual incomes of adults 25 and older, 1998



Source: U.S. Bureau of the Census.

adjusted for inflation. In contrast, the average increase for all workers nationwide, when adjusted for inflation, was 29 percent (about $7,000). The increase for teachers in elementary and secondary schools nationwide rose 5 percent (about $2,000) when adjusted for inflation. (See Figure 2.)

More often than not over the last 25 years, faculty and teachers found their salary increases lagging behind inflation, while most of their neighbors' salaries more than kept pace with inflation. The average pay increases for all workers exceeded the rate of inflation in 21 of those 25 years. Average increases in faculty salaries at the SREB region's four-year colleges were above inflation in nine of the 25 years. Nationwide, the average salary increases for faculty at four-year colleges were above inflation in 12 of those 25 years. Teachers' salary increases were above inflation in 14 of the years.

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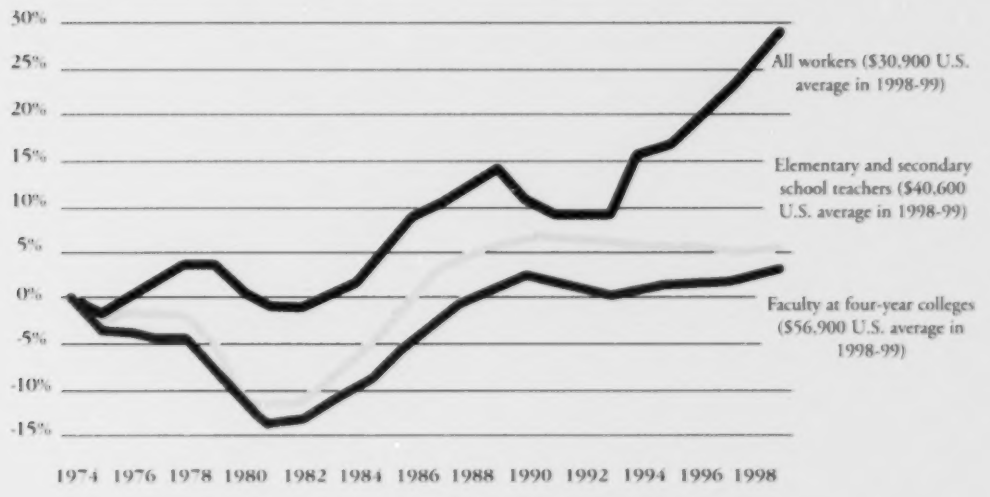
Figure 2
Changes in annual salaries (adjusted for inflation)



Source: U.S. Bureau of Labor Statistics and National Center for Education Statistics.

Have faculty salaries in the SREB region gained or lost ground when compared with national averages?

Over the last 10 years there has been a slight increase in the gap between the SREB region's average salary for faculty in public four-year colleges and the nation's average salary. In 1989, the SREB average was 94 percent of the U.S. average: in 1999, it was 93 percent of the U.S. average. (See Figure 3 and Table 1.)

Between 1989 and 1999, inflation-adjusted salaries of full-time teaching faculty in public four-year colleges and universities rose 3.9 percent nationally. (See Figure 4.) During that time, the average salaries for faculty in public four-year colleges in six SREB states (Arkansas, Georgia, Kentucky, Louisiana, North Carolina and West Virginia) got closer to the national average. Delaware went from just below the national average to well above it. Virginia remained above the national average but lost some of its lead. Four states (Florida, Mississippi, Tennessee and Texas) fell further behind the national average over the 10 years. Four states (Alabama, Maryland, Oklahoma and South Carolina) remained at the same level relative to the national average.

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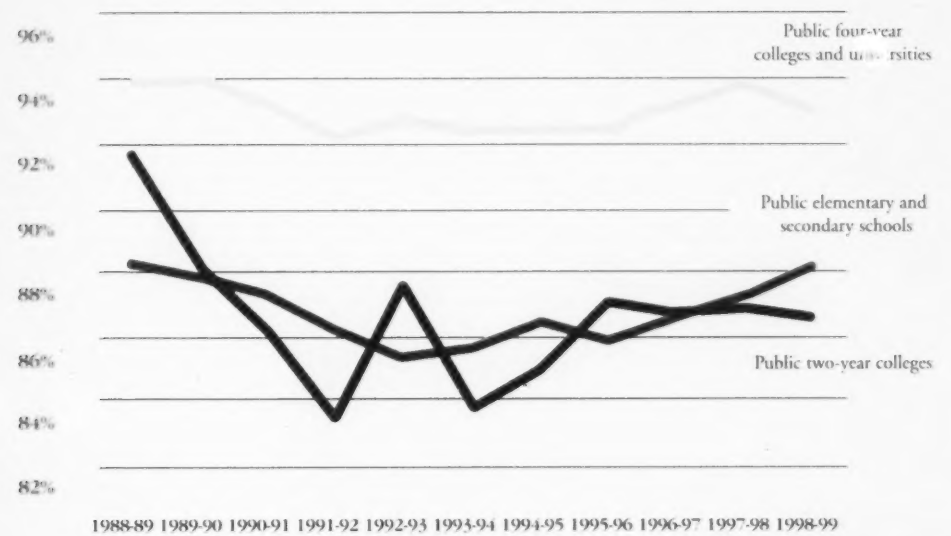
Figure 3
Faculty and teacher salaries as percentages of the U.S. average, 1989 to 1999



Source: National Center for Education Statistics, National Education Assoication, SREB-State Data Exchange.

The gap has grown between the SREB region's and the nation's average salaries for faculty in comprehensive public two-year colleges (those that award associate's degrees and offer courses that can be transferred to four-year colleges). In 1989 the SREB region's average salary for faculty at two-year colleges was 92 percent of the U.S. average. By 1999 it was 87 percent. (See Figure 3 and Table 2.) Inflation-adjusted salaries rose 1.9 percent nationally in the last 10 years. (See Figure 5.) During that time, the average salaries of faculty in public two-year colleges in seven SREB states (Alabama, Arkansas, Georgia, Kentucky, Mississippi, South Carolina and West Virginia) got closer to the national average. Delaware increased its lead on the national average. Maryland lost some of its lead but remained above the national average. Florida and Virginia were above the national average in 1989 but had dropped below it by 1999. Five states (Louisiana, North Carolina, Oklahoma, Tennessee and Texas) fell further behind the national average over the 10 years.

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Table 1
Average salaries of full-time instructional faculty at public four-year colleges and universities

	Average salary, 1998-99 (all ranks)	Percent of U.S. average		Ranking among SREB states	
		1988-89	1998-99	1988-89	1998-99
United States	$56,916				
SREB states	52,995	94	93		
Alabama	50,534	89	89	10	10
Arkansas	47,188	81	83	14	14
Delaware	64,470	99	113	4	1
Florida	55,004	102	97	2	6
Georgia	56,251	96	99	7	5
Kentucky	52,287	86	92	11	8
Louisiana	44,902	77	79	16	16
Maryland	58,075	102	102	3	3
Mississippi	48,606	86	85	12	12
North Carolina	56,311	97	99	6	4
Oklahoma	48,398	85	85	13	13
South Carolina	51,690	91	91	9	9
Tennessee	49,698	93	87	8	11
Texas	53,027	98	93	5	7
Virginia	58,800	108	103	1	2
West Virginia	46,867	77	82	15	15

Sources: SREB-State Data Exchange; National Center for Education Statistics; and American Association of University Professors.

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Table 2

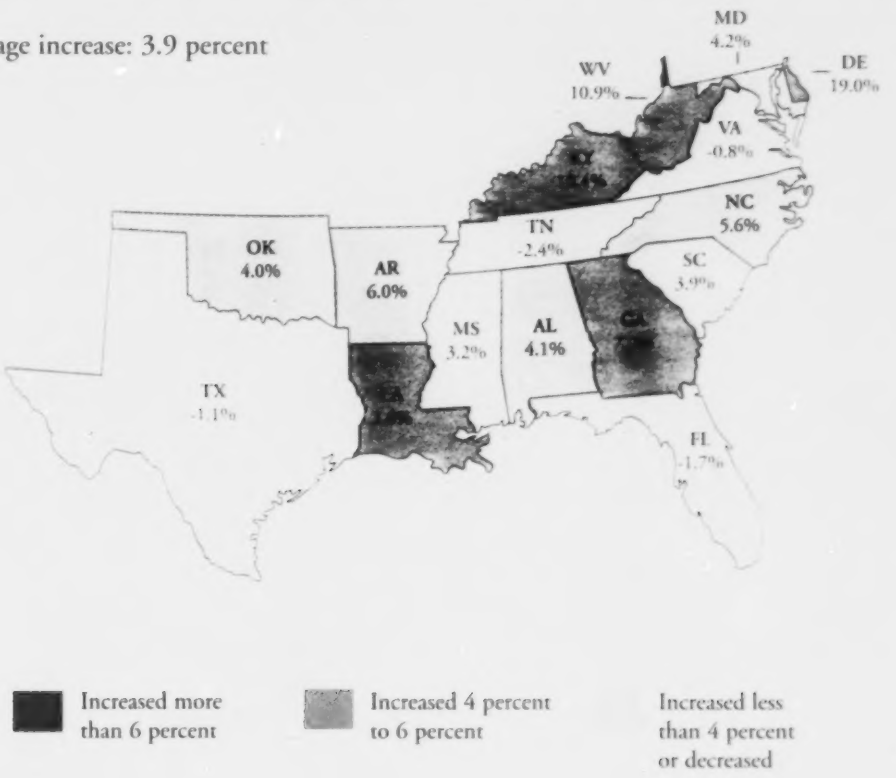
Average salaries of full-time instructional faculty at public two-year colleges that award associate's degrees and offer college-transfer courses

	Average salary, 1998-99 (all ranks)	Percent of U.S. average		Ranking among SREB states	
		1988-89	1998-99	1988-89	1998-99
United States	$44,798				
SREB states	38,793	92	87		
Alabama	42,608	94	95	6	3
Arkansas	34,276	76	77	15	14
Delaware	46,315	101	103	3	2
Florida	40,114	104	90	2	6
Georgia	42,141	93	94	7	5
Kentucky	39,299	78	88	12	8
Louisiana	33,528	79	75	13	15
Maryland	48,918	111	109	1	1
Mississippi	37,854	77	84	13	10
North Carolina	33,027	78	74	11	16
Oklahoma	37,569	86	84	9	11
South Carolina	35,065	77	78	14	13
Tennessee	36,189	88	81	8	12
Texas	39,748	95	89	5	7
Virginia	42,389	100	95	4	4
West Virginia	38,293	75	85	16	9

Sources: SREB-State Data Exchange; National Center for Education Statistics; and American Association of University Professors.

Figure 4

Inflation-adjusted change in average salaries of full-time instructional faculty at public four-year colleges and universities, 1988-89 to 1998-99



Sources: SREB-State Data Exchange; National Center for Education Statistics; and American Association of University Professors.

Will more or fewer faculty be needed in the next 10 years?

Another factor that affects faculty salaries and how competitive they are is the likely future demand for highly educated workers. The Bureau of Labor Statistics' latest employment projections for 1998 to 2008 show a 14 percent overall expected increase in employment. Occupations that require professional degrees are forecast to grow by 16 percent, and those that require doctoral degrees (including college teaching) are projected to increase by 23 percent.

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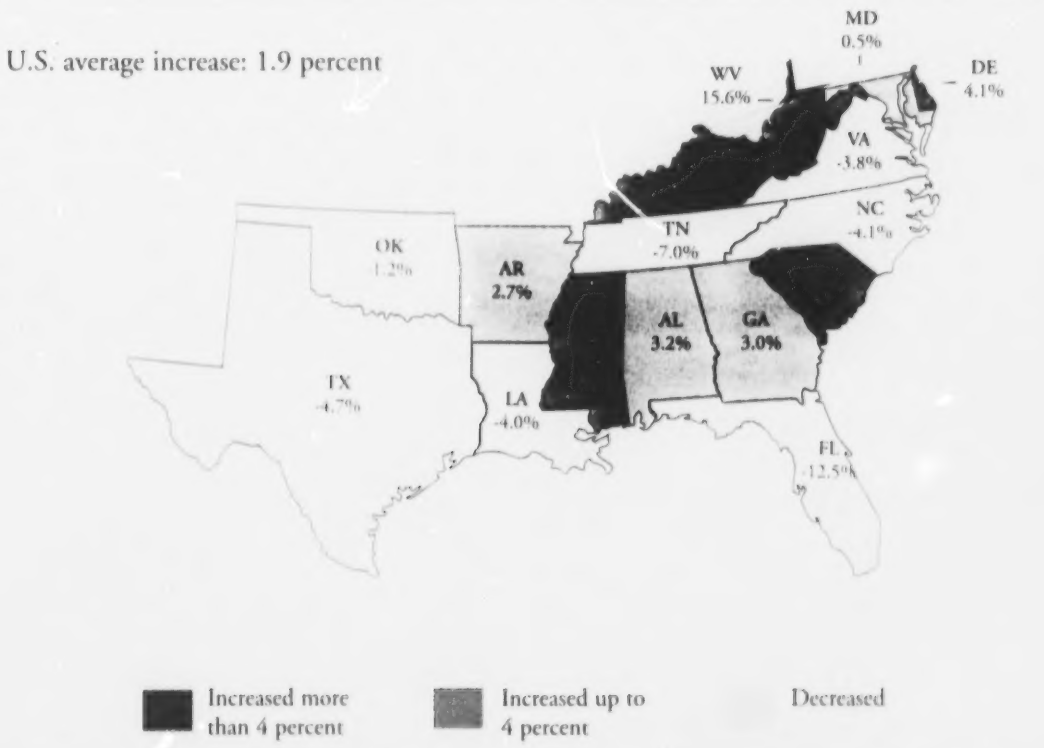
Figure 5

Inflation-adjusted change in average salaries of full-time instructional faculty at public two-year colleges that award associate's degrees and offer college-transfer courses, 1988-89 to 1998-99



Sources: SREB-State Data Exchange; National Center for Education Statistics; and American Association of University Professors.

Have salaries grown evenly for different groups of faculty?

Academic leaders also need to address gaps among salaries of different groups of faculty. In the SREB region's public four-year colleges and universities in 1999, average salaries for assistant professors and instructors (generally younger and less experienced) are closer to the national averages than are average salaries for professors and associate professors (generally older and more experienced). (See Table 3.) However, over the last 10 years salaries for the "senior" ranks have been increasing faster than for the "junior" ranks. For example, assistant professors in the SREB region earned 64 percent of the professors' average salary in 1989. In 1999 assistant professors earned 62 percent of the professors' average.

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Table 3
Average salaries of full-time instructional faculty by rank at public four-year colleges and universities

	1998-99					Assistant professor as a percentage of professor	
	Professor	Associate professor	Assistant professor	Instructor	All ranks*	1988-89	1998-99
United States	$72,782	$53,884	$44,242	$32,345	$56,916	63	61
SREB states	69,448	51,923	42,919	31,772	52,995	64	62
SREB states as a percentage of national average	95	96	97	98	93		

* "All ranks" includes the ranks shown, plus lecturers and undesignated other faculty.

Sources: SREB-State Data Exchange; National Center for Education Statistics; and American Association of University Professors.

For 30 years the SREB-State Data Exchange has recognized the importance of reporting statistical comparisons by different categories of institutions — unlike most other statistical reports, even today. Because each state has a different mix of types of institutions, it is wise to avoid using a single statewide figure.

The SREB system for categorizing colleges and universities is based on several factors: numbers of degrees, types of degrees, numbers of program areas in which degrees are granted, and distributions of degrees across program areas.

Salaries tend to increase as the size and complexity of the university increases. In 1999, the "all ranks" (professors, associate professors, assistant professors and instructors) average salaries for categories of four-year colleges and universities in the SREB region ranged from $44,542 at those that award the fewest graduate degrees to $60,383 at universities that award the most doctoral degrees in the most fields.

Among broad teaching fields in the SREB region, average salaries are highest for law faculty, followed by faculty in business and management; sciences and technologies; education; social and behavioral sciences; nursing; and humanities. (See Figure 6.)

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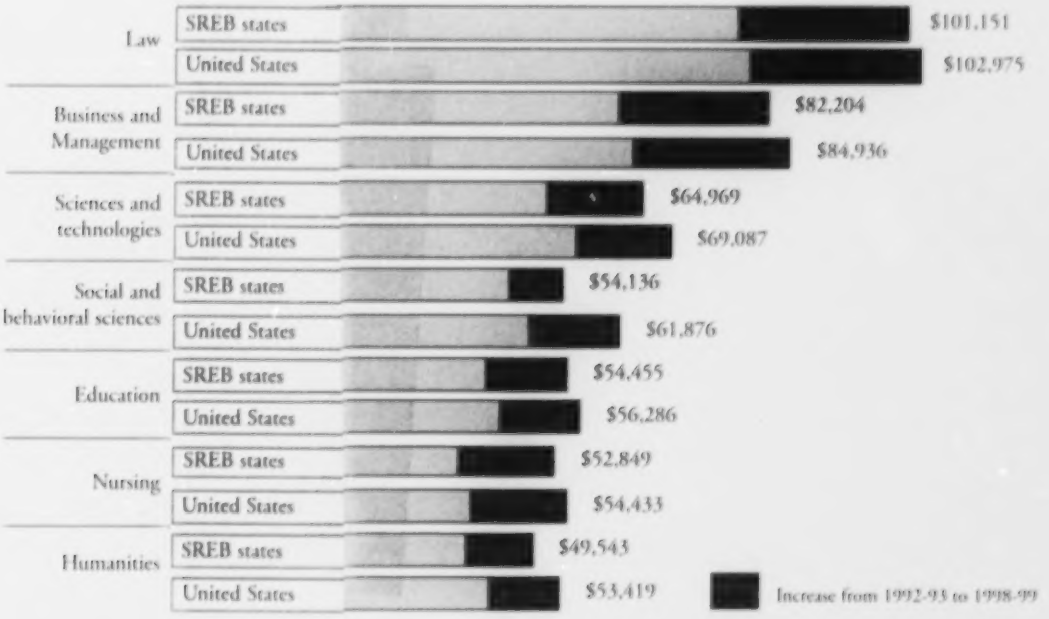
Figure 6

Average faculty salaries by teaching field at universities that award the most doctoral degrees, 1992-93 and 1998-99



Sources: Oklahoma State University Office of Institutional Research.

How are goals set for achieving competitive salaries for college and university faculty?

Individual campus boards or systemwide governing boards usually determine salaries for college and university faculty. These boards frequently use comparisons with SREB regional or national averages for salaries at institutions with similar missions. They often consider the average salaries by faculty rank (professors, associate professors, assistant professors and instructors) and by discipline. Also common are benchmarks based on fairly elaborate peer-grouping systems.

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Salary averages for the SREB region and the nation are important benchmarks and goals for states and institutions. Competition for college and university faculty is at least regional — covering several states — and usually is national. States may define competitive salaries differently. For example, the governor of Tennessee recommended a 6 percent raise for faculty at state colleges and universities in 2001 as part of a three-year plan to bring salaries up to the average salaries at peer institutions in the SREB region. Virginia's governor proposed a salary increase in 2001 that would allow each college and university to maintain faculty salaries at the 60th percentile of its peer institutions. North Carolina is considering legislation (the Excellent Universities Act) that includes requests to make salaries in the University of North Carolina system competitive nationally.

How are faculty salaries linked to performance?

Salaries of college and university faculty are tied to performance through evaluations and judgments by peers. These judgments — which heavily influence promotions and salary increases — usually are based on teaching effectiveness; research and, in the performing arts, creative activity; and campus and public-service activities. During the 1990s, the issue in higher education was not so much *whether* performance was rewarded, but *what types* of performance were rewarded. Are colleges and universities devoting too much of their faculty resources to research and too little to undergraduate instruction? Are too many freshman- and sophomore-level courses at large state universities being taught by teaching assistants who have not been trained adequately? Do policy-makers and the public have enough information about faculty productivity?

Several states conducted studies to determine whether outstanding teaching is rewarded as well as research and whether faculty evaluations take into account society's priorities as well as the institution's. For example, as a result of legislation in North Carolina, the Board of Governors of the University of North Carolina established procedures to monitor faculty members' teaching, research and service and to emphasize rewards to faculty members who teach more than "a standard academic load." A portion of the increase in funding for faculty salaries each year (currently 1 percent) is used to reward excellent teaching. Only a limited percentage of full-time faculty members each year may be rewarded in this way. The Board of Regents of the University System of Georgia created policies on tenure and post-tenure reviews. These policies specify what individual faculty members are expected to do both before and after they get tenure; how performance will be evaluated; and what support will be available for job-related training, continuing education and leadership development.

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Are SREB states on track to meet the goal of having competitive salaries for faculty?

In the last 10 years, the average salaries for faculty at four-year colleges in seven SREB states improved compared with the national average. The average salaries for faculty at two-year colleges gained ground on the national average in half of the SREB states. However, in several important respects, the SREB region is not on track.

- **Have faculty salaries kept up as well as those for jobs that require similar levels of education? No.**

  Can higher education remain the engine driving the American economy when growth in faculty salaries lags behind growth in the salaries of other highly educated workers?

- **Have faculty salaries kept up with salary growth for all workers? No.**

  Are relatively modest gains in real income levels over the last 25 years sufficient to attract and maintain the talented pool of college faculty needed to move the SREB region ahead?

- **Have faculty salaries in the SREB region gained ground relative to national averages? No.**

  Can states improve their competitive standing in general when their salary increases for faculty are not keeping pace with nationwide rates of increase? With greater demand for faculty and a growing gap between the salaries paid at independent colleges and those paid at public colleges, will states be able to compete effectively for faculty in the "sellers' market" ahead?

To build toward a more positive report in the future, state leaders and college and university leaders need to rededicate themselves to pursuing the goal of having competitive salaries for faculty members and to linking faculty pay to performance.

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